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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE

HANDLING OF RAISINS PRODUCED FROM RAISIN VARIETY GRAPES GROWN IN CALIFORNIA

ORDER FURTHER AMENDING ORDER, AS AMENDED, REGULATING HANDLING

[Reprinted from Federal Register of October 25, 1956 (21 F.R. 8182)]

PART 989—RAISINS PRODUCED FROM RAISIN VARIETY GRAPES GROWN IN CALIFORNIA

ORDER FURTHER AMENDING ORDER, AS AMENDED, REGULATING HANDLING

§ 989.0 Findings and determinations—

(a) *Previous findings and determinations.* The findings and determinations set forth below in this section are supplementary, and in addition, to the findings and determinations which were previously made in connection with the original issuance of this marketing order (14 F. R. 5136) as supplemented by the findings and determinations which were made in connection with the amendment of such marketing order (7 CFR Part 989; 20 F. R. 6435) issued on August 26, 1955, and all of said previous findings and determinations are hereby ratified and confirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(b) *Findings upon the basis of the hearing record.* Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure thereunder (7 CFR Part 900; 19 F. R. 57), a public hearing was held at Fresno, California, on June 18 and 19, 1956, upon proposed amendments of Marketing Agreement No. 109, as amended, and Order No. 89, as amended (20 F. R. 6435), regulating the handling of raisins produced from raisin variety grapes grown in California. Upon the basis of the evidence adduced at such hearing and the record thereof, it is hereby found that:

(1) The said amended marketing order, as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The said amended marketing order, as hereby further amended, is applicable only to persons in the respective classes of industrial and commercial activities specified or necessarily included in the proposals upon which the amendatory hearing was held; and

(3) There are no differences in the production and marketing of raisins in the production area covered by the said amended marketing order, as hereby further amended, which make necessary

different terms applicable to different parts of such area.

(c) *Additional findings.* It is hereby found and determined that good cause exists for making the provisions of this amendatory order effective not later than the date of its publication in the FEDERAL REGISTER; and that it would be contrary to the public interest to postpone the effective date until 30 days after such publication (see 5 U. S. C. 1001 et seq.). The new crop year under the existing amended marketing order began on September 1, 1956, and raisins are now being handled under the provisions of the said order. The provisions of these further amendments should be made effective as early in the crop year as practicable. The provisions of this amendatory order are well known to handlers. The public hearing in connection therewith was held at Fresno, California, on June 18 and 19, 1956, and the recommended decision and the final decision were published in the FEDERAL REGISTER on September 8, 1956 (21 F. R. 6832), and September 27, 1956 (21 F. R. 7403), respectively. Copies of the amendments were made available to all known interested persons, and compliance with their provisions will require no advance preparation on the part of persons subject thereto.

(d) *Determinations.* It is hereby determined that:

(1) The "Agreement Further Amending the Marketing Agreement, as Amended, Regulating the Handling of Raisins Produced from Raisin Variety Grapes Grown in California," upon which the aforesaid public hearing was held, has been signed by handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping raisins covered by the amended order which is hereby further amended) who, during the period July 1, 1955, through June 30, 1956, handled not less than 50 percent of the volume of such raisins covered by the amended order which is hereby further amended;

(2) The issuance of this order further amending the aforesaid amended order is favored or approved by at least two-thirds of the producers who participated in a referendum on the question of its approval and who, during the determined

representative period (July 1, 1955, through June 30, 1956), were engaged, within the State of California, in the production of raisin variety grapes for market; and

(3) The issuance of this order further amending the aforesaid amended order is favored or approved by producers who participated in the aforesaid referendum and who, during the determined representative period, produced at least two-thirds of the raisin variety grapes represented in such referendum and produced within the State of California for market.

It is therefore ordered, That, on and after the date of the publication of this document in the FEDERAL REGISTER, all handling of raisins produced from raisin variety grapes grown in California, shall be in conformity to, and in compliance with, the terms and conditions of the aforesaid amended order, as hereby further amended as follows:

1. Amend the provisions of § 989.52 (a) to read as follows:

§ 989.52 Procedure. (a) All decisions of the committee reached at an assembled meeting shall be by majority vote of the members present and a quorum must be present. All votes in an assembled meeting shall be cast in person. The presence of nine members shall be required to constitute a quorum. The committee may vote by mail or telegraph when there is no assembled meeting, but any proposition to be so voted upon first shall be explained accurately, fully, and identically in a notice by mail or telegraph to all members, or alternates acting in the place and stead of the members. Said notice shall contain a statement of a reasonable time not to exceed 10 days in which a member or alternate must vote by mail or telegraph in order that the vote may be counted. A unanimous vote of all selected and eligible members or alternates acting in the place and stead of members shall be required to reach a decision on a mail or telegraphic vote. Failure of any such member or alternate to vote within the prescribed time shall be held to be a dissenting vote. No action to recommend a marketing policy or volume regulation can be taken on the basis of a mail or telegraphic vote.

2. Amend the provisions of § 989.58 (e) to read as follows:



(e) *Options as to off-grade natural condition raisins.* Any natural condition raisins tendered to a handler which fail to meet the applicable minimum grade standards may at the option of either the handler or the person making the tender: (1) Be returned to the person tendering the raisins; (2) if storable, be turned over to the handler to be held by him as off-grade natural condition raisins for the account of the committee; or (3) be turned over to the handler for reconditioning under the terms of a written agreement between the person making the tender and the handler. If the handler is to acquire such raisins after they are reconditioned, his obligations with respect to such raisins shall be based on the weight of the raisins (if stemmed, adjusted to natural condition weight) after they have been reconditioned. If after such reconditioning, such raisins meet the minimum grade standards but are no longer natural condition raisins, any handler who acquires such raisins shall meet his surplus and reserve tonnage obligations from natural condition raisins acquired by him. Any off-grade raisins (including stemmer waste and raisin offal) accumulated as a final residual by a handler in reconditioning raisins shall, during or after reconditioning has been completed, be disposed of by the handler, without further inspection, for distillation, animal feed, or uses other than for human consumption. Off-grade raisins received by a handler for reconditioning shall be kept by him separate and apart from all other raisins until after the raisins have been reconditioned and the quality of the raisins is established by inspection and certification. The committee shall establish, with the approval of the Secretary, such rules and procedures as may be necessary to insure adequate control over the reconditioning of off-grade raisins and the use of the residual matter from such reconditioning operations.

-3. Amend the provisions of § 989.59 (a) to read as follows:

§ 989.59 *Regulation of the handling of raisins subsequent to their acquisition by handlers*—(a) *Regulation.* Unless otherwise provided in this part, no handler shall: (1) Ship or otherwise make final disposition of natural condition raisins unless they meet the effective applicable minimum grade and condition standards for natural condition raisins; or (2) ship or otherwise make final disposition of packed raisins unless they at least meet the following minimum grade standards or such standards as modified pursuant to the provisions of paragraph (b) of this section: (i) With respect to all raisins except Layer Muscats and Zante Currants, "U. S. Grade C" as defined in effective United States Standards for Grades of Processed Raisins; (ii) with respect to Golden Seedless and Sulfur Bleached raisins, the color requirements for "bleached color" (or "choice color") as defined in the said standards; (iii) with respect to Layer Muscat raisins, "U. S. Grade B" as defined in the said stand-

ards; and (iv) with respect to Zante Currant raisins, "U. S. Grade B" as defined in the effective United States Standards for Grades of Dried Currants: *Provided*, That nothing contained in this paragraph shall prohibit the shipment or final disposition of any raisins to which the prescribed standards are not applicable.

3a. Amend the provisions of the first paragraph of § 989.97 to read as follows:

Raisins meeting the varietal standards set forth hereinafter shall be considered as standard raisins and those failing to meet such standards shall be considered as off-grade raisins. Where the raisins in any lot consist of two or more varietal types commingled within their containers, the lot shall be considered as standard raisins if each varietal type in the lot meets the applicable minimum standards for that varietal type: *Provided*, That, in the event Layer Muscat raisins are commingled within their containers with Natural (Sun-dried) Muscat raisins, the entire lot shall be considered as Natural (sun-dried) Muscat raisins, and as standard raisins if the lot as a whole meets the minimum standards for Natural (sun-dried) Muscat raisins: *Provided further*, That, should the requirements with respect to the maximum moisture content differ as between any two or more varietal types which are commingled, the lower (lowest) maximum moisture content requirement shall apply for each varietal type. In each category, only those raisins which have been properly dried and cured in original natural condition, are free from active infestation, and are in such condition that they are capable of being received, stored, and packed without undue deterioration or spoilage, shall be considered as storable raisins.

4. Amend the provisions of § 989.59 (e) to read as follows:

(e) *Inter-plant and inter-handler transfers.* Any handler may transfer from his plant to his own or another handler's plant within the State of California any free tonnage raisins without having had such raisins inspected as provided in paragraph (d) of this section. The transferring handler shall transmit promptly to the committee a report of such transfer, except that transfers between plants owned or operated by the same handler need not be reported. Before shipping or otherwise making final disposition of such raisins, the receiving handler shall comply with the requirements of this section.

5. Amend the provisions of § 989.59 (f) to read as follows:

(f) *Off-grade raisins accumulated by handlers.* Any off-grade raisins (including stemmer waste and raisin offal) which may be received by a processor or accumulated by a handler by removing them from his standard raisins, and any raisins acquired as standard raisins by a handler which do not meet the applicable grade and condition standards for shipment or final disposition as raisins, shall be disposed of or marketed, without further inspection, for distillation, animal feed, or uses other than for human consumption: *Provided*, That this shall not preclude a packer from recovering raisins from such accumulations or ac-

quisitions. The committee shall establish, with the approval of the Secretary, such rules and procedures as may be necessary to insure such uses. The provisions of this paragraph are not intended to excuse any failure to comply with all applicable food and sanitary rules and regulations of city, county, state, federal or other agencies having jurisdiction.

6. Amend the provisions of § 989.63 (a) to read as follows:

§ 989.63 *Recommendation for designation of percentages.* (a) If the committee concludes that the supply and demand conditions for raisins make it advisable to designate the percentages of standard raisins acquired by handlers in any crop year which shall be free tonnage, reserve tonnage, and surplus tonnage, respectively, it shall recommend such percentages to the Secretary. The committee may recommend such percentages separately, for each varietal type. The committee also shall submit, together with any recommendation with respect to percentages, the information on the basis of which such recommendation was made, and the recommendation of the board, and also shall specify for each varietal type of raisins the outlets which were considered in determining the free and surplus tonnages and the free and surplus percentages. In the event the committee subsequently deems it desirable to modify, suspend, or terminate any designation by the Secretary of such percentages, it shall submit to the Secretary its recommendation in that regard along with the information on the basis of which such modification, suspension or termination is recommended, and the recommendation of the board. The committee shall file with its recommendation to the Secretary, a verbatim record of that portion of its meeting or meetings, relating to the free, reserve, and surplus percentages. The recommendations of the committee for the fixing of the initial free, reserve, and surplus percentages for any crop year shall be made not later than October 5 of such year, but this date may be extended by the committee not more than five days if warranted by a late crop.

7. Amend the provisions of § 989.66 (e) (4) to read as follows:

(4) (i) Except as provided in subdivision (ii) of this subparagraph for new handlers, each handler's share of surplus tonnage raisins offered for sale in export prior to February 1 of any crop year shall be determined as the same proportion of the quantity offered that the free tonnage raisins acquired by him during the preceding crop year is of the free tonnage raisins acquired by all handlers during the preceding crop year who remain handlers. Subsequent to January 31, each handler's share shall be determined as the same proportion of the quantity offered that the free tonnage raisins acquired by the handler during the then current crop year is of the total free tonnage raisins acquired by all handlers during the then current crop year. With respect to any offer other than the



initial offer, each handler's share of the total quantity offered as of that date (the then current offer plus all prior offers of that crop year) shall first be determined by the appropriate formula. His share of the current offer shall then be determined by subtracting from his share of the total quantity offered, the total of his share of prior offers from the beginning of the crop year.

(ii) If any handler did not acquire raisins during the preceding crop year, the basis for his share of any quantity of surplus tonnage raisins offered prior to February 1 shall be his acquisitions of free tonnage raisins during the then current crop year. The current free tonnage acquisitions of all such new handlers shall, for the purpose of determining the shares of all handlers prior to February 1, be added to the total acquisitions of free tonnage raisins during the preceding crop year of all handlers in business at the time the offer is made.

(iii) If prior to February 1 of any crop year, a handler's share of any offer exceeds the quantity of surplus tonnage raisins held by him for the account of the committee (the shortage being for reasons other than deferment of his set aside obligations pursuant to § 989.66 (c)), and upon the committee concluding that the handler's acquisitions of surplus as of January 31 will exceed the total of his shares or upon said handler furnishing the committee such written undertaking secured by a bond as the committee may require, the committee may permit the handler to borrow, for a period not to exceed 30 days (or ending not later than January 31) from the date of the acceptance of the offer, raisins from any reserve tonnage held by him for the account of the committee.

Any handler who has not repaid all prior loans from the reserve pool by the end of the required 30-day period or by January 31, whichever date is earlier, may not participate in any subsequent offers of surplus tonnage until the loan is repaid.

(iv) If prior to the close of any offer of surplus tonnage raisins for sale in export and subsequent to any share reservation period the entire offer has not been purchased, any handler who has purchased his entire share and makes application to the committee shall be allocated additional surplus tonnage raisins from such raisins held by him. In the event such handler no longer holds any surplus tonnage raisins for the account of the committee, the committee shall, subsequent to any period the committee may prescribe for handlers to purchase their holdings, allocate and deliver to the handler, surplus tonnage raisins held by other handlers. In making such allocation, the committee shall, insofar as is practicable, first withdraw surplus tonnage raisins from those handlers who have purchased for sale in export the smallest percentage of the surplus tonnage raisins acquired by them or who for other reasons are holding the largest percentage of their acquisitions of surplus tonnage. The cost of transporting any such sur-

plus tonnage raisins from one handler to another shall be paid by the committee from surplus pool funds.

(v) Whenever essentially all of the surplus tonnage raisins acquired as surplus, or the reserve tonnage which becomes surplus on July 1, have been offered on a share basis, and any unpurchased or unoffered tonnage of surplus is offered to handlers, approval of applications may be made in the same order in which the applications are filed with the committee.

(vi) Whenever a handler's share or allocation pursuant to this subparagraph is less than or exceeds his holdings of surplus by a minor quantity, the committee may adjust the handler's share or allocation so as to avoid the cost of the physical transfer. The maximum quantity by which a handler's share or allocation may be so adjusted shall be prescribed in rules and procedures with respect to the allocation of surplus tonnage raisins to handlers which the committee shall establish with the approval of the Secretary.

8. Amend the provisions of § 989.67 (b) to read as follows:

(b) Reserve tonnage of any varietal type shall not be sold at a price below that which the committee concludes reflects the average price received by producers for free tonnage of the same varietal type purchased by handlers during the current crop year up to the time of any offer for sale of reserve tonnage by the committee, to which shall be added the costs incurred by the committee on account of the receiving, inspecting, storing, insuring, and holding of said raisins: *Provided*, That where the outlook for the next crop year or other factors have caused a downward trend in the prices received by producers for free tonnage raisins or in the prices received by handlers for free tonnage packed raisins, reserve tonnage may be sold to handlers at the currently prevailing or the approximate computed field price for free tonnage raisins, as determined by the committee. No offer to sell reserve tonnage raisins to handlers shall be made by the committee until five days (exclusive of Saturdays, Sundays, and holidays) have elapsed from the time it files with the Secretary complete information as to varietal type, quantity, and price involved in such offer, and the Secretary may disapprove the offer or any term thereof: *Provided*, That at any time prior to the expiration of the five-day period, the offer may be made to handlers upon the committee receiving from the Secretary notice that he does not disapprove the making of the offer.

9. Amend the provisions of § 989.68 (d) and (e) to read as follows:

(d) Surplus tonnage raisins shall be sold to handlers at prices and in a manner intended to maximize producer returns and achieve complete disposition of such raisins by August 31 of the crop year. No offer to sell surplus tonnage raisins to handlers shall be made by the

committee until five days (exclusive of Saturdays, Sundays, and holidays) have elapsed from the time it files with the Secretary complete information as to varietal type, quantity, and price involved in such offer, and the Secretary may disapprove the offer or any term thereof: *Provided*, That at any time prior to the expiration of the five-day period, the offer may be made to handlers upon the committee receiving from the Secretary notice that he does not disapprove the making of the offer.

(e) The committee may sell surplus tonnage raisins as provided in paragraph (b) (3) of this section only when such country is not included in the list of specified countries established pursuant to paragraph (c) of this section and may sell surplus tonnage raisins to foreign government agencies or foreign importers in any country removed from such list. No agreement to sell surplus tonnage raisins shall be entered into by the committee until five days (exclusive of Saturdays, Sundays, and holidays) have elapsed from the time it files with the Secretary complete information as to varietal type, quantity, price, and foreign country involved in any such proposed sale, and the Secretary may disapprove such sale or any term thereof: *Provided*, That at any time prior to the expiration of the five-day period, the sale may be made upon the committee receiving from the Secretary notice that he does not disapprove the making of the sale.

10. Amend the provisions of § 989.48 to read as follows:

§ 989.48 *Compensation and expenses.* The members of the committee and the board, and the alternate members when acting as members, shall serve without compensation but shall be allowed their necessary expenses as approved by the committee. Whenever specifically authorized in advance by the committee, or when requested to attend due to the anticipated absence of a member, an alternate member of the committee shall be reimbursed for reasonable expenses incurred by him in attending not to exceed three committee meetings per crop year when the committee member for whom he serves as alternate also attends such meetings.

11. Amend the provisions of § 989.79 to read as follows:

§ 989.79 *Expenses.* The committee is authorized to incur such expenses (other than those specified in § 989.82) as the Secretary finds are reasonable and likely to be incurred by it during each crop year, for the maintenance and functioning of the committee and the board. The funds to cover such expenses shall be obtained by levying assessments as provided in § 989.80. The committee shall file with the Secretary for each crop year a proposed budget of these expenses and a proposal as to the assessment rate to be fixed pursuant to § 989.83, together with a report thereon. Such filing shall be not later than October 5 of the crop year, but this date may be



extended by the committee not more than five days if warranted by a late crop. Also, it shall file at the same time a proposed budget of the expenses likely to be incurred during the crop year in connection with reserve, surplus, or off-grade raisins held for the account of the committee, exclusive of the receiving, storing, and handling expenses which are covered by a schedule of payments to handlers effective pursuant to § 989.66 (f) or any rules and procedures established by the committee, and exclusive of any expenses it may incur in connection with the disposition of such raisins and which are unknown at the time. The said report shall also cover this proposed budget.

11a. Amend the provisions of § 989.54 to read as follows:

§ 989.54 *Marketing policy.* Prior to or simultaneously with making its recommendation to the Secretary for fixing the initial free, reserve, and surplus percentages for any crop year (which shall be not later than October 5 of such crop year unless this date is extended by the committee not more than five days as provided in § 989.63 (a)), the committee shall hold a meeting to formulate and adopt a marketing policy for the mar-

keting of raisins for the crop year and shall submit promptly to the Secretary a report setting forth its marketing policy for the regulation of the handling of raisins in such crop year. The report shall include the data and information used by the committee in formulating the marketing policy, and the recommendation of the board. In developing the marketing policy, the committee shall give consideration to the following factors with respect to each varietal type of raisins:

(a) The estimated tonnage of raisins held by producers and handlers;

(b) The estimated tonnage of raisins which will be produced during the crop year;

(c) An appraisal of the quality of raisins of the crop to be produced in such crop year, including the estimated tonnage of standard raisins and off-grade raisins, respectively;

(d) The tonnage of raisins marketed during recent crop years in the domestic market and in Canada;

(e) The tonnage of raisins marketed in recent crop years in foreign markets, segregated to show the quantities marketed from free and surplus tonnage raisins and the countries in which such raisins were marketed;

(f) The current price being received for raisins by producers and handlers;

(g) The estimated trade demand during the crop year for raisins in normal market channels both domestic and foreign;

(h) The trend and level of consumer income in the domestic market;

(i) The estimated probable market requirements for raisins during the crop year in foreign markets segregated by countries or groups of countries;

(j) Such factors, if any, which in the supplying of foreign markets, may tend to directly affect or burden the normal domestic market;

(k) Any other pertinent factors bearing on the marketing of raisins; and

(l) The conditions, including pricing formula, for the sale of surplus tonnage raisins in foreign markets pursuant to the provisions of § 989.68.

(Sec. 5, 40 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: October 19, 1956.

[SEAL]

EARL L. BUTZ,  
Assistant Secretary.

